

Re Meehan

IN THE MATTER OF:

The Mutual Fund Dealer Rules

and

Christopher Leslie Meehan

2025 CIRO 27

Canadian Investment Regulatory Organization
Hearing Panel (Pacific District)

Heard: April 28, 2025, in Vancouver, British Columbia by videoconference

Decision: April 28, 2025

Reasons for Decision: May 27, 2025

Hearing Panel:

Susan E. Ross, Chair, Susan Monk and Nigel Potts

Appearances:

Eric Chow, Enforcement Counsel

Robert Brush, for Christopher Leslie Meehan

Christopher Leslie Meehan (present)

REASONS FOR DECISION ON ACCEPTANCE OF SETTLEMENT

INTRODUCTION

[1] This Hearing Panel held a settlement hearing to consider whether to accept a settlement agreement dated April 10, 2025, between Enforcement Staff of the Canadian Investment Regulatory Organization (**CIRO**) and the Respondent, Christopher Leslie Meehan (**Settlement Agreement**).

[2] The Settlement Agreement was reached, and the hearing was conducted pursuant to Rule 7.4.4 of the Mutual Fund Dealer Rules and Rules 1.8, 14 and 15 of the Mutual Fund Dealer Rules of Procedure.

[3] In the Settlement Agreement, the Respondent admitted that between October 2019 and July 2022, he contravened MFDA Rules 1.1.1(a) and 2.1.4 by engaging in securities related business that was not carried on for the account or through the facilities of his Dealer Member.¹

[4] The terms of the Settlement Agreement are:

- (a) a fine of \$45,000;

¹ On January 1, 2023, the Mutual Fund Dealers Association of Canada and the Investment Industry Regulatory Organization of Canada were consolidated into the Canadian Investment Regulatory Organization and the MFDA Rules were incorporated into the current Mutual Fund Dealer Rules. The Respondent's misconduct, between October 2019 and July 2022, was governed by MFDA Rules 1.1.1(a) and 2.1.4 (now Mutual Fund Dealer Rules 1.1.1(a) and 2.1.4.).

- (b) a 4-month suspension from conducting securities related business in any capacity while in the employ of or associated with any Dealer Member registered as a mutual fund dealer;
- (c) costs in the amount of \$5,000;
- (d) the Respondent shall attend the video conference for the settlement hearing; and
- (e) the Respondent shall in the future comply with Mutual Fund Dealer Rules 1.1.1(a) and 2.1.4.

[5] Pursuant to the Mutual Fund Dealer Rules of Procedure, the Settlement Agreement was conditional on acceptance by a hearing panel and the settlement hearing was closed to the public until the Settlement Agreement was accepted.

[6] At the conclusion of the hearing, we accepted the Settlement Agreement with reasons to follow. These are our reasons for decision.

AGREED FACTS

[7] The agreed facts are set out in full in Part III of the attached Settlement Agreement.

[8] The Respondent has been registered since 2017 with Assante Financial Management Ltd. (**Assante**), a Dealer Member of CIRO (and formerly a Member of the Mutual Fund Dealers Association).

[9] At all material times, the Respondent carried on business in the Abbotsford area of British Columbia and was only registered to advise or trade in mutual funds offered by Assante. Assante's policies and procedures respecting its Approved Persons also prohibited the Respondent from engaging in securities related business outside of Assante and required him to disclose conflicts of interest to Assante.

[10] In December 2017, the Respondent requested Assante to approve an outside activity of cryptocurrency mining that he intended to operate from his residence. In January 2018, Assante declined to approve the request. In doing so, Assante referred the Respondent to a Canadian Securities Administrators Notice cautioning that sales of cryptocurrency may be subject to securities laws, referred him to applicable MFDA Rules, and advised him that all securities related business was required to be conducted through Assante.

[11] In October 2019, the Respondent began entering into contracts with eight Assante clients (three of whom were immediate family members) as well as 22 other investors for the Respondent to purchase, sell or transfer cryptocurrency on their behalf in consideration of a 20% commission on any gains after doubling the value of their initial investment.

[12] In March 2021, the Respondent caused a numbered company (**Numbered Company**) to be incorporated with his spouse as the sole officer and director. The Respondent did not disclose the Numbered Company to Assante and required all his cryptocurrency investors to sign new versions of their contracts that were with the Numbered Company.

[13] Between October 2019 and February 2022, the Respondent accepted approximately \$1.2 million in Bitcoin from investors that he deposited into his own cryptocurrency digital wallet. He then traded on their behalf in alternative cryptocurrency coins that were comingled and deposited into cryptocurrency digital wallets registered to himself.

[14] Pursuant to his contracts with investors, the Respondent performed, on a discretionary basis, at least 6,084 trades in at least 75 different cryptocurrencies and received commission payments totalling approximately \$91,000 USD. Of that amount, approximately \$12,000 USD stablecoin was paid by four of the investors who also were Assante clients.

[15] Between March and May 2022, the British Columbia Securities Commission made inquiries into the Numbered Company's activities that culminated in a cease trade order issued on the basis that its contracts with investors were securities under the *Securities Act*, R.S.B.C. 1996, s. 418, which required the Numbered Company to file a prospectus or rely on an exemption from prospectus requirements.

[16] Between May and July 2022, the Respondent returned all the cryptocurrency he had received, held, and traded on behalf of investors. He also returned the commissions he had received without being directed to do so by a regulatory authority or Assante. None of the investors complained about the Respondent's conduct to

Assante or the MFDA (and subsequently CIRO).

[17] Assante was not aware and did not approve of the Respondent entering into cryptocurrency contracts or engaging in cryptocurrency trading on behalf of investors. None of those activities were carried on for the account of Assante or processed through its facilities, and none of the compensation the Respondent received was recorded in Assante's books and records.

[18] The Respondent agrees that Assante's January 2018 response declining to approve his request to engage in cryptocurrency mining ought to have put him on notice that activity involving cryptocurrency or the marketplace on which it trades would be considered outside securities related activity in which he could not engage.

[19] The Respondent has not been the subject of any prior MFDA or CIRO disciplinary proceeding. He continues to be registered with Assante, which imposed the following conditions on account of his cryptocurrency misconduct:

- (a) a fine of \$15,000 (which has been paid);
- (b) completion of the Conduct and Practices Handbook (CPH) course by April 1, 2023 (which has been done); and
- (c) ongoing close supervision (pending the resolution of this CIRO proceeding) in respect of which the Respondent has paid \$1,327.

ANALYSIS

STANDARD OF REVIEW FOR REVIEWING A SETTLEMENT AGREEMENT

[20] We applied the established standard for the review of settlement agreements in the investment industry that a settlement should be accepted if the agreed penalties fall within a reasonable range of appropriateness with respect to the misconduct in question. This standard was summarized as follows in *Milewski (Re)*²:

Although a settlement agreement must be accepted by a District Council before it can become effective, the standards for acceptance are not identical to those applied by a District Council when making a penalty determination after a contested hearing. In a contested hearing, the District Council attempts to determine the correct penalty. A District Council considering a settlement agreement will tend not to alter a penalty that it considers to be within a reasonable range, taking into account the settlement process and the fact that the parties have agreed. It will not reject a settlement unless it views the penalty as clearly falling outside a reasonable range of appropriateness. Put another way, the District Council will reflect the public interest benefits of the settlement process in its consideration of specific settlements.

This understanding is reflected in paragraph 20.26 of the By-laws, which authorizes the District Council to "accept", rather than approve, a settlement agreement. In each case, a District Council must determine appropriateness, but the standards applicable to its doing so in a settlement hearing differ from those in a contested hearing.

See also:

*Sterling Mutuals Inc. (Re)*³

*Culliton (Re)*⁴

[21] Hearing panels reviewing settlement agreements typically determine whether the proposed sanctions fall within a reasonable range of appropriateness by considering the facts of the case in relation to the principles and factors in the Sanction Guidelines and prior hearing panel decisions involving comparable misconduct.

² [1999] I.D.A.C.D. No. 17, pp. 9-10

³ 2008 CanLII 87748 (CA MFDAC), para. 35

⁴ 2020 CanLII 30059 (CA MFDAC), para. 15

[22] The Sanction Guidelines, while non-exhaustive and non-binding on hearing panels, are intended to reinforce consistency, fairness and transparency in the sanctioning process. They cover such principles as the expectation that sanctions are preventative, not punitive; that offenders should not be able to benefit financially from their misconduct; that multiple violations should be sanctioned proportionately to the totality of the misconduct; and that repeat offenders should be treated more severely.

[23] The Sanction Guidelines explain that sanctions should address specific and general deterrence, weigh relevant mitigating and aggravating factors, and conform to sanctions in comparable prior cases. They list key factors that are commonly considered when determining appropriate sanctions. The listed factors, not all of which will apply to every case, include the number, size, extent and duration of the transactions in issue, whether there was a pattern of misbehaviour, the extent of harm caused by the misconduct, the vulnerability of victims and efforts to compensate them, financial benefit to the respondent, prior disciplinary history, whether the misconduct was intentional, wilfully blind or reckless respecting regulatory requirements, and whether the misconduct occurred notwithstanding prior warnings from regulators or supervisors.

[24] When the sanctions are pursuant to a settlement agreement, the sanctioning process is affected by the limitations on the role of the hearing panel. This includes recognizing that proposed sanctions are arrived at through the give and take of negotiations between the parties, and settlements usually bring the benefits of reducing the expenditure of regulatory resources and being more expeditious than contested hearings.

THE CONTRAVENTIONS

[25] Enforcement Staff and the Respondent jointly submitted that we should accept the Settlement Agreement. Staff submitted a written brief and book of authorities. Both counsel made oral submissions, and the Respondent attended the settlement hearing as required by the Settlement Agreement.

[26] Enforcement Staff provided statutory references and prior cases concerning the rationale and breadth of the requirements in MFDA Rules 1.1.1(a) and 2.1.4 (now Mutual Fund Dealer Rules 1.1.1(a) and 2.1.4).

[27] MFDA Rule 1.1.1(a) prohibited an MFDA Member, or Approved Person in respect of a Member, from directly or indirectly engaging in any “securities related business” other than for the account and through the facilities of the Member. This rule, now Mutual Fund Dealer Rule 1.1.1(a), protects the interests of clients, Dealer Members and Approved Persons as a Dealer Member is not able to supervise or take responsibility for the suitability of transactions if they are done off its books.

Re Wemple, 2017⁵

*Re Breckenridge*⁶

[28] Section 1 of MFDA By-law No. 1 defined “securities related business” as:

...any business or activity (whether or not carried on for gain) engaged in, directly or indirectly, which constitutes **trading** or **advising in securities** for the purposes of applicable securities legislation in any jurisdiction in Canada, including for greater certainty, securities sold pursuant to exemptions under applicable securities legislation;

(emphasis added)

[29] The emphasised terms above are defined in section 1(1) of the *Securities Act*:

- “security” is defined to include an “investment contract.”
- “trade” is defined to include a disposition of a security for valuable consideration or “any act, advertisement, solicitation, conduct or negotiation directly or indirectly in furtherance of” the disposition of a security for valuable consideration.
- “adviser” is defined to include “a person engaging in, or holding themselves out as engaging in, the business of advising another with respect to investment in or the purchase or sale of securities.”

⁵ CanLII 43251 (CA MFDAC), paras. 13-15

⁶ 2007 CanLII 80232 (CA MFDAC), p. 18

[30] MFDA Rule 2.1.4(2) required an Approved Person to take reasonable steps to identify existing or potential conflicts of interest, promptly disclose such conflicts to their Member, and ensure that conflicts were addressed in the best interest of the client.

[31] Entering into private investment schemes with clients whereby their funds are put into investments managed by an Approved Person raises material conflicts of interest under MFDA Rule 2.1.4 (now Mutual Fund Dealer Rule 2.1.4).⁷

[32] The Respondent has admitted that his cryptocurrency contracts with investors were securities in the form of investment contracts for the trading of cryptocurrency on behalf of investors for the common purpose of realizing profit. He accepted cryptocurrency from investors, deposited it into his own cryptocurrency wallet, and engaged in discretionary trading of the cryptocurrency on behalf of the investors for the purpose of obtaining profit. His unauthorized conduct involved both trading and advising under the *Securities Act*.

[33] The Respondent has admitted that he violated MFDA Rule 1.1.1(a) by engaging in securities related business that was not carried on for the account or through the facilities of Assante by directly or indirectly entering into agreements with investors to trade cryptocurrency assets on their behalf.

[34] Some of his cryptocurrency investors were Assante clients and the Respondent has admitted that he violated MFDA Rule 2.1.4 by failing to identify, report and address conflicts of interest between himself and those clients in connection with his trading and advising in cryptocurrency on their behalf.

REASONABLENESS OF THE PROPOSED SETTLEMENT

[35] The terms agreed to in the Settlement Agreement are:

- (a) a fine of \$45,000;
- (b) a 4-month suspension from conducting securities related business in any capacity while in the employ of or associated with any Dealer Member registered as a mutual fund dealer;
- (c) costs in the amount of \$5,000;
- (d) the Respondent shall attend the video conference for the settlement hearing; and
- (e) the Respondent shall in the future comply with Mutual Fund Dealer Rules 1.1.1(a) and 2.1.4.

[36] The Respondent traded and advised in cryptocurrency investment contracts involving 30 investors, eight of whom were clients. His misconduct took place over 33 months. He took in approximately \$1.2 million in cryptocurrency from investors, commingled the funds in his personal accounts, engaged in over 6,000 cryptocurrency trades, and earned approximately \$91,000 USD in commissions.

[37] All the misconduct was conducted off the books of and unknown to Assante in circumstances where the Respondent ought to have known that his activities would be considered outside securities related business in which he could not engage and that conflicted with the interests of the investors who were also clients.

[38] We agree that the Respondent engaged in very serious misconduct involving multiple investors, including clients, and many transactions over a 33-month period.

[39] Mitigating factors are that he has no prior disciplinary history and, soon after the Securities Commission issued its cease trade order, he returned all the cryptocurrency he received and compensation he gained from investors, none of whom reported losses. The Respondent has admitted and expressed remorse for his misconduct and the proposed settlement has saved time, resources and expenses associated with a full disciplinary hearing.

[40] Assante's own discipline of the Respondent with a \$15,000 fine, completion of the CPH course, and a period of close supervision is also a relevant factor.

[41] We were provided with several prior decisions sanctioning Approved Persons for engaging in outside securities related business and associated misconduct. These decisions did not involve entirely analogous facts

⁷ MFDA Notice #MSN-0047, October 3, 2005, p. 2

to this case, and some were imposed after merits and/or sanctions hearings or involved Approved Persons with Dealer Members registered as investment dealers. However, the decisions provided are relevant guideposts in assessing a reasonable range of appropriate sanctions for the type of misconduct the Respondent committed.

[42] *Uly (Re)*⁸, approved a settlement imposing a \$31,000 fine (inclusive of \$18,000 in referral fees), 1-year prohibition and \$5,000 costs. The respondent engaged in approximately \$360,000 of outside securities related business involving multiple clients over a 13-month period. There were no client losses, but the respondent misled investigators about her conduct.

[43] *Mushaluk (Re)*⁹, decided after a sanctions hearing, imposed a \$25,000 fine, 1-year suspension and \$5,000 costs. The respondent engaged in outside securities related business involving multiple clients over a 10-month period. Clients invested approximately \$520,000 and suffered heavy losses.

[44] *Yang (Re)*¹⁰, approved a settlement imposing a \$45,000 fine, 9-month suspension, 6 months of close supervision, and rewriting of the CPH course. The respondent's misconduct occurred over several years. His employment was terminated after he failed to disclose and misled his Dealer Member about personal and client-involved outside cryptocurrency trading activities that he knew he was required to report. His misconduct included over \$1 million in cryptocurrency transactions, selling personal crypto assets to clients, borrowing money from a client to finance cryptocurrency trading, and an approximately \$90,000 USD profit for the respondent.

[45] *Allison (Re)*¹¹, was decided after a merits and sanctions hearing at which the respondent failed to appear. The hearing panel imposed a \$70,000 fine (inclusive of disgorgement), permanent prohibition and \$10,000 costs. Over a six-month period, the respondent engaged in almost \$3 million in outside securities related business with several elderly clients. Even after resigning from his Dealer Member, the respondent repeatedly accessed and executed trades in former clients' online brokerage accounts.

[46] *Malic (Re)*¹², approved a settlement imposing a \$75,000 fine, 6-month suspension, 6 months of close supervision, completion of the CPH course and \$5,000 costs. The respondent failed to disclose and misled his Dealer Member about outside business activity involving substantial client investments and loans toward a project for the subdivision and sale of residential lots.

[47] *Comeau (Re)*¹³, was decided after a merits and sanctions hearing. The hearing panel imposed a \$100,000 fine, 18-month prohibition, completion of the CPH course and \$5,000 costs. The respondent knowingly engaged in the off-book sale of over \$1.1 million in an unapproved investment product to 24 clients. He impeded and made inaccurate and misleading statements to the ensuing investigation. His Dealer Member also imposed a \$16,100 fine, 3-month suspension and \$5,000 costs.

[48] We agree that *Yang* is the most relevant of these decisions. *Yang* is a recent decision. It arose out of a settlement and involved sustained cryptocurrency trading activities. The sanctions in *Yang* approximate those proposed for the Respondent, except for the 9-month suspension in *Yang* versus the 4-month suspension proposed for the Respondent. *Yang* borrowed money from clients for personal trading and was knowingly deceptive about his crypto-trading activities despite specific directions from his Dealer Member. These aggravating factors are not present in the Respondent's case. In contrast, the Respondent promptly returned funds and profits to investors after the Securities Commission issued its cease trade order, expressed remorse for his misconduct, accepted discipline by Assante, and retained its confidence in him as an Approved Person.

[49] *Uly* and *Mushaluk* imposed lower fines than the fine proposed for the Respondent, but the lower fines were counterbalanced by longer suspensions. *Allison* and *Comeau* imposed higher fines and longer or permanent prohibitions after contested hearings with respondents who were unrepentant or misled and impeded the investigations. The higher fine in the *Malic* settlement was commensurate with large client losses

⁸ 2018 CanLII 54994 (CA MFDAC)

⁹ 2016 CanLII 78013 (CA MFDAC)

¹⁰ 2024 CIRO 44 (CanLII)

¹¹ 2024 CIRO 84 (CanLII)

¹² 2021 IIROC 10 (CanLII)

¹³ 2013 CanLII 87866 (CA MFDAC)

and a respondent who actively and repeatedly misled his Dealer Member about his activities.

[50] Weighing the relevant factors and prior decisions, we were satisfied that the sanctions proposed in the Settlement Agreement with the Respondent fall within a reasonable range of appropriateness.

CONCLUSION

[51] We accepted the Settlement Agreement on April 28, 2025, the date of the settlement hearing.

[52] In accordance with the terms of the Settlement Agreement, the agreed fine and costs were payable immediately upon our acceptance of the Settlement Agreement, unless otherwise agreed to by Enforcement Staff and the Respondent.

Dated at Vancouver, British Columbia this 27th day of May 2025.

“Susan E. Ross” _____

Susan E. Ross, Chair

“Susan Monk” _____

Susan Monk, Industry Representative

“Nigel Potts” _____

Nigel Potts, Industry Representative

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**IN THE MATTER OF
THE MUTUAL FUND DEALER RULES**

AND

CHRISTOPHER LESLIE MEEHAN

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. The Canadian Investment Regulatory Organization (“CIRO”)ⁱ will issue a Notice of Settlement Hearing to announce a settlement hearing pursuant to Mutual Fund Dealer Rule 7.4.4 and Rules 14 and 15 of the Mutual Fund Dealer Rules of Procedure (“Rules of Procedure”) to consider whether a Hearing Panel should accept this Settlement Agreement between Enforcement Staff and Christopher Leslie Meehan (the “Respondent”).

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Enforcement Staff and the Respondent jointly recommend that the Hearing Panel accept this Settlement Agreement in accordance with the terms and conditions set out below.

PART III – AGREED FACTS

3. For the purposes of this Settlement Agreement, the Respondent agrees with the facts as set out in Part III of this Settlement Agreement.

Overview

4. Between October 2019 and July 2022, without the Dealer Member’s knowledge or approval, the Respondent entered into agreements with 8 clients of the Dealer Member and 22 other individuals (the “Investors”) to purchase, sell or transfer crypto assets, commonly referred to as cryptocurrency, on their behalf.

5. The Respondent accepted a total of approximately \$1,234,414 in the form of cryptocurrency from 8 clients of the Dealer Member and 22 other individuals (the “Investors”) that he deposited into the Respondent’s own cryptocurrency wallet in order for the Respondent to purchase or sell in cryptocurrency on behalf of the Investors. For his activities, the Respondent obtained a total of approximately \$91,241 USD in cryptocurrency as compensation.
6. On May 25, 2022, the British Columbia Securities Commission (“BCSC”) issued a cease trade order (the “Cease Trade Order”) in respect of the Respondent’s activities.
7. The Respondent has since returned to the Investors all of the cryptocurrency he held on their behalf as well as the compensation he received.

Registration History

8. On September 28, 2017, the Respondent became registered as a dealing representative in British Columbia with Assante Financial Management Ltd. (the “Dealer Member”) a Dealer Member of CIRO (formerly a Member of the MFDA).
9. At all material times, the Respondent carried out business in the Abbotsford, British Columbia area.

Securities Related Business outside the Dealer Member

10. At all material times, the Respondent was only registered to advise or trade in mutual funds offered by the Dealer Member
11. At all material times, the Dealer Member’s policies and procedures:
 - (a) prohibited its Approved Persons from, among other things, engaging in securities related business outside the Dealer Member, such as advising on securities other than mutual funds; and
 - (b) required its Approved Persons to disclose conflicts of interest to the Dealer Member.
12. On December 12, 2017, the Respondent requested approval of an outside activity related to digital currency mining, referred to commonly as cryptocurrency mining. In particular,

- the Respondent sought approval to operate a business where he would use specialized computers to solve algorithms that form part of the blockchain from his home residence.
13. On January 18, 2018, the Dealer Member declined to approve this outside activity, stating in part that cryptocurrencies were unregulated and there was no registration criteria established.
 14. The Dealer Member referred the Respondent to a Canadian Securities Administrators Notice which cautioned that sales of cryptocurrency may be subject to securities laws.
 15. The Dealer Member referred the Respondent to the applicable MFDA Rules 1.1.1 and 1.3.1(2) and advised that all securities related business must be conducted through the Dealer Member. The Dealer Member's response included information that ought to have put the Respondent on notice that engaging in activity involving cryptocurrency or the marketplace it trades on would be considered securities related activity by the Dealer Member, such that it could not be conducted as an Outside Activity.
 16. Commencing in October 2019, the Respondent personally entered into contracts with 8 clients of the Dealer Member and 22 other individuals (the "Investors") setting out terms pursuant to which the Respondents would purchase, sell or transfer cryptocurrency on behalf of the Investors. Of the 8 clients of the Dealer Member, 3 of whom were clients whose account the Respondent serviced: his step-mother, brother, and sister.
 17. The contracts provided, among other things, that the Respondent would obtain compensation for his activities by receiving a commission of 20% of any gains after any doubling of the value of each Investor's initial cryptocurrency investment.
 18. On or about March 15, 2021, the Respondent caused to be incorporated a numbered company in British Columbia (the "Numbered Company"), where his spouse was the sole officer and director of the Numbered Company. The Respondent did not disclose the Numbered Company to the Dealer Member.
 19. Beginning in or about March 23, 2021, the Respondent required all of the Investors to sign new versions of the contracts that they originally signed as described above at paragraphs 18 and 19, so that the contracts were between the Numbered Company and the Investors.

20. Between about October 2019 and February 2022, the Respondent accepted a total of approximately \$1,234,414 in the form of cryptocurrency from the Investors that he deposited into the Respondent's own cryptocurrency wallet in order for him to purchase or sell in cryptocurrency on behalf of the Investors.
21. The Respondent obtained the cryptocurrency from the Investors by:
 - (a) directing the Investor to either purchase Bitcoin and transfer it to one of the Respondent's cryptocurrency digital wallets where he would trade in cryptocurrency on behalf of the Investor; or
 - (b) directing the Investor to open an account on a certain cryptocurrency exchange where they would deposit Bitcoin which the Respondent would then receive into one of his own cryptocurrency digital wallets to then begin trading in cryptocurrency on the Investor's behalf.
22. Once the Respondent received the Bitcoin, he began trading on behalf of the Investors in alternative cryptocurrency coins in cryptocurrency digital wallets where the Investor's cryptocurrency was comingled and deposited.
23. In performing the cryptocurrency trading on behalf of the Investors, the Respondent performed at least 6,084 trades in at least 75 different cryptocurrencies.
24. The Respondent processed the trades using his own discretion to determine which cryptocurrencies to invest in, and the timing and amounts of the trade.
25. The Respondent received commission payments totaling approximately \$91,241.79 USD in cryptocurrencies for his activities described above. The Respondent received these commissions consistent with the terms of the contracts he entered into with the Investors. Consistent with the terms of the contracts the Respondent signed with Investors, commission was only received from Investors who had first doubled their original investment.
26. Of that amount, \$12,261.36 USD stablecoin were commissions paid by four of the Investors who were clients of the Dealer Member.

27. In a letter dated March 3, 2022 from the BCSC to the Numbered Company, the BCSC inquired into the Numbered Company's activities (the "BCSC Inquiry"), and on May 25, 2022, the BCSC issued a cease trade order (the "Cease Trade Order") to the Numbered Company.
28. The Cease Trade Order provided that the contracts described above were securities under the British Columbia *Securities Act*, R.S.B.C. 1996, c. 418, and that in order to distribute the contracts to the Investors, the Numbered Company was required to file a prospectus or rely on an exemption from the prospectus requirements.
29. Subsequent to the BCSC Inquiry and commencement of the Dealer Member's investigation into his conduct, from May 8, 2022 to July 13, 2022, the Respondent returned all of the cryptocurrency that he had received, held and traded on behalf of the Investors, as well as all commissions he had obtained described above.
30. The Dealer Member was not aware and did not approve of the Respondent: (i) entering into the contracts describe above; or (ii) engaging in any of his trading activity in cryptocurrency on behalf of the Investors.
31. None of the Respondent's activities were carried on for the account of the Dealer Member or processed through its facilities.
32. None of the compensation the Respondent obtained described above was recorded in the Dealer Member's books and records.
33. As set out above, between October 2019 and July 2022, while trading cryptocurrency on behalf of the Investors, the Respondent comingled cryptocurrency owned by the Investors, including cryptocurrency owned by 8 Dealer Member clients, in various cryptocurrency wallets registered to himself. The conduct involving the clients also gave rise to a conflict of interest that he did not disclose to the Dealer Member.
34. As set out above, the Dealer Member's policies and procedures required that Approved Persons disclose conflicts of interest to the Dealer Member.

Additional Factors

35. The Respondent returned all of the cryptocurrency that he had received, held and traded on behalf of the Investors.
36. None of the Investors complained to the Dealer Member or CIRO about the Respondent's conduct described herein.
37. The Respondent voluntarily returned the \$91,241.79 USD in commissions he received from Investors, without being directed by any regulatory authority or his dealer to do so.
38. As a result of the Respondent's actions the Dealer Member imposed the following conditions on the Respondent:
 - (a) a fine of \$15,000 payable to the Dealer Member, which the Respondent has paid;
 - (b) completion of the Conduct and Practices Handbook Course prior to April 1, 2023, which the Respondent has completed; and
 - (c) an additional period of close supervision, in respect of which he has paid \$1,327 to date to the Dealer Member, which remains ongoing pending the resolution of this proceeding.
39. The Respondent has not previously been the subject of MFDA or CIRO disciplinary proceedings.
40. By entering into this Settlement Agreement, the Respondent has saved CIRO the time, resources and expenses that would have been necessary to conduct a contested hearing on the merits.
41. The Respondent states that he: (i) recognizes the seriousness of his conduct; (ii) is remorseful and regrets engaging in the conduct set out herein; and (iii) accepts responsibility for his actions.
42. The Respondent continues to be registered as an Approved Person with the Dealer Member.

PART IV – CONTRAVENTIONS

43. By engaging in the conduct described above, the Respondent committed the following contravention of CIRO requirements:

Between October 2019 and July 2022, the Respondent engaged in securities related business that was not carried on for the account or through the facilities of the Dealer Member by directly or indirectly entering into agreements with Investors to trade crypto assets on their behalf, contrary to MFDA Rules 1.1.1(a) and 2.1.4.¹

PART V – TERMS OF SETTLEMENT

44. The Respondent agrees to the following sanctions and costs:

- (i) The Respondent shall be suspended from conducting securities related business in any capacity while in the employ of or associated with any Dealer Member of CIRO registered as a mutual fund dealer for a period of four months commencing on the third business day after the acceptance of this Settlement Agreement, pursuant to Mutual Fund Dealer Rule 7.4.1.1(c);
- (ii) The Respondent shall pay a fine of \$45,000 in certified funds upon acceptance of the Settlement Agreement, pursuant to Mutual Fund Dealer Rules 7.4.1.1(b);
- (iii) The Respondent shall pay costs in the amount of \$5,000 pursuant to Mutual Fund Dealer Rule 7.4.2;
- (iv) the Respondent shall attend by videoconference on the date set for the Settlement Hearing; and

¹ At the time of the conduct addressed in this proceeding, MFDA Rules 1.1.1(a) and 2.1.4 (later 2.1.4(2)) were in effect and are now incorporated into Mutual Fund Dealer Rules 1.1.1(a) and 2.1.4, 1.1.2 referred to in this proceeding. On January 21, 2021, amendments to 1.1.1(a) came into effect, as a portion of the conduct addressed in this proceeding pre-dated the amendment to that Rule, the version of Rule 1.1.1(a) that was in effect between October 2019 and January 20, 2021 is applicable to the conduct that precedes the amendment and the amended Rule in effect for January 21, 2021 until July 2022 for the conduct that occurred during that portion of time. On June 30, 2021 the Rule 2.1.4 was replaced with Rule 2.1.4(2), the version of Rule 2.1.4 that was in effect between October 2019 and June 29, 2021 is applicable to this proceeding and the amended Rule is in effect for the period of time from June 30, 2021 until July 2022 is applicable to this proceeding for that portion of time.

(v) the Respondent shall in the future comply with Mutual Fund Dealer Rules 1.1.1(a) and 2.1.4.

45. If this Settlement Agreement is accepted by the Hearing Panel, the Respondent agrees to pay the amounts referred to above immediately upon such acceptance, unless otherwise agreed between Enforcement Staff and the Respondent.

PART VI – STAFF COMMITMENT

46. If the Hearing Panel accepts this Settlement Agreement, Enforcement Staff will not initiate any further action against the Respondent in relation to the facts set out in Part III and the contraventions in Part IV of this Settlement Agreement, subject to the provisions of the paragraph below.

47. If the Hearing Panel accepts this Settlement Agreement and the Respondent fails to comply with any of the terms of this Settlement Agreement, Enforcement Staff may bring proceedings under Mutual Fund Dealer Rule 7 against the Respondent. These proceedings may be based on, but not limited to, the facts set out in Part III of this Settlement Agreement.

PART VII – PROCEDURE FOR ACCEPTANCE OF SETTLEMENT

48. This Settlement Agreement is conditional on acceptance by the Hearing Panel.

49. This Settlement Agreement shall be presented to a Hearing Panel at a settlement hearing in accordance with Mutual Fund Dealer Rule 7.4.4, and Rules of Procedure 14 and 15, in addition to any other procedures that may be agreed upon between the parties.

50. Enforcement Staff and the Respondent agree that this Settlement Agreement will form all the agreed facts that will be submitted at the settlement hearing, unless the parties agree that additional facts should be submitted at the settlement hearing. If the Respondent does not appear at the settlement hearing, Staff may disclose additional relevant facts, if requested by the Hearing Panel.

51. If the Hearing Panel accepts this Settlement Agreement, the Respondent agrees to waive all rights under the Rules and By-law No. 1 of CISO, and any applicable legislation to any further hearing, appeal, and review.
52. If the Hearing Panel rejects this Settlement Agreement, Enforcement Staff and the Respondent may enter into another settlement agreement or Enforcement Staff may proceed to a disciplinary hearing based on the same or related allegations.
53. The terms of this Settlement Agreement are confidential unless and until this Settlement Agreement has been accepted by the Hearing Panel.
54. This Settlement Agreement will become available to the public upon its acceptance by the Hearing Panel and CISO will post a copy of this Settlement Agreement on the CISO website. CISO will publish a notice and news release of the facts, contraventions, and the sanctions agreed upon in this Settlement Agreement and the Hearing Panel's written reasons for its decision to accept this Settlement Agreement.
55. If this Settlement Agreement is accepted, the Respondent agrees that neither they nor anyone on their behalf, will make a public statement inconsistent with this Settlement Agreement.
56. This Settlement Agreement is effective and binding upon the Respondent and Enforcement Staff as of the date of its acceptance by the Hearing Panel.

PART VIII – EXECUTION OF SETTLEMENT AGREEMENT

57. This Settlement Agreement may be signed in one or more counterparts which together will constitute a binding agreement.
58. An electronic copy of any signature will be treated as an original signature.

DATED this 10 day of April, 2025.

“Witness”
Witness

“Christopher Leslie Meehan”
Christopher Leslie Meehan

DATED this 11th day of April, 2025

“Eric Chow”
Eric Chow
Enforcement Counsel on behalf of
Enforcement Staff of the
Canadian Investment Regulatory
Organization

The Settlement Agreement is hereby accepted this 28th day of April, 2025 by the following Hearing Panel:

Per: “Susan E. Ross”
Chair

Per: “Nigel Potts”
Industry Member

Per: “Susan E. Monk”
Industry Member

ⁱ Where the rules, by-laws, and policies of the Mutual Fund Dealers Association of Canada (the “MFDA”) that were in force immediately prior to amalgamation of the Investment Industry Regulatory Organization of Canada and the MFDA have been incorporated into the Mutual Fund Dealer Rules, Enforcement Staff have referenced the relevant section of the Mutual Fund Dealer Rules.